

STATEMENT TO THE GOVERNMENT OVERSIGHT COMMITTEE

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First, let me provide the committee with some information on my professional background. I have a Master's Degree in Guidance and Counseling, and for thirty years I have made a career with employment and training programs at both the local and State levels. During that time I have worked in a variety of capacities, and have held employment positions as a front line worker, field monitor, and supervisor. My administrative experience includes employment as a local manager, Field Administrator, Bureau Chief, and my current position as a Division Administrator.

I am in charge of the Division of Workforce Center Administration at Iowa Workforce Development. We have the responsibility for the oversight or operation of multiple employment and training programs, including those programs that are at the heart of this committee's review. These programs include the Workforce Investment Act, PROMISE JOBS, Wagner-Peyser, New Iowans, and Disability Navigators. The scope of my Division's oversight of these programs extends to determining compliance with federal or state laws, regulations, administrative rules, and policies that govern how the services are delivered. The Division of Administrative Services at IWD, headed by Mr. Fett, has the responsibility for oversight of the financial operations of these programs.

I have been placed on administrative leave since the inception of this investigation. This has been an extremely frustrating experience for me for several reasons. First and foremost, that action has cast the implication of possible wrong-doing on my part. Members of the committee: That is not the reputation that I have built in thirty years of public service. The inappropriate and misguided actions and activities that have prompted this investigation are not how I do business. While I am confident that the ultimate conclusions of the various investigations into these issues will confirm that my actions have been appropriate, I appreciate the opportunity to appear before you and publicly make this declaration.

I am also frustrated because I have a commitment to the staff I supervise, to Iowa Workforce Development, and to the State of Iowa, and I have not been able to meet that commitment while on leave. At a time when Iowa Workforce Development must re-establish its credibility and re-focus its resources on the agency mission and our customers, I should be able to contribute my knowledge, my expertise, and my leadership to that effort. I look forward to that opportunity.

With regard to the activities at CIETC that have prompted this investigation—the payment of exorbitant and unreasonable salaries and bonuses—I would like to offer my perspective and some recommendations.

It appears to be very clear that the environment for abuse at CIETC was created when the commitment to customer service by upper management was discarded in favor of personal gain; when local oversight was replaced by rubber-stamp complacency; and when public trust was violated by greed. Under those circumstances, the proverbial fox ran amok in the henhouse.

Much has been made, both within these hearings and in the media, about the lack of oversight and accountability that contributed to this situation. At the local level, I believe that perception is accurate. Clearly the CIETC Board and its leadership failed in their oversight responsibilities. For what are the primary functions of that Board, but to direct and to oversee? It would appear that the CIETC Board did little of either, and I would hope that the new members of that Board are committed to those basic responsibilities.

However, I have seen little discussion or acknowledgement of the fact that another Board, known as the Regional Workforce Investment Board or RWIB, also exists and has similar responsibilities to direct CIETC program activities and to conduct oversight. In fact, the RWIB shares those responsibilities with the CIETC Board of elected officials. Unfortunately, from the events that have taken place, we can assume that the RWIB must have adopted a similar attitude of complacency toward activities within CIETC. Therefore it is apparent that local oversight and accountability failed on at least two levels.

As to State oversight activities, I would suggest to this committee that you would not be here today but for the fact that IWD workers did their jobs with due diligence, and that they had the courage and conviction to ensure that appropriate actions were taken in response to their findings. While we may want to debate or discuss the length of time involved in identifying these abuses, or the degree of difficulty in bringing them to light, the State oversight process did occur, and the disposition of its findings should result in more accountable and more efficient program operations.

To that end, I have several recommendations.

- 1) With regard to local oversight, the Workforce Investment Act places this responsibility on local elected officials and volunteer boards. These individuals often do not have the time or the expertise to adequately perform this function. In many other States, the local boards hire independent staff to do this work on their behalf. In Iowa, the individuals who staff these boards are usually the same people who are responsible for the delivery of services. Therefore, it is no surprise that the regional boards in Iowa receive favorable reports on such activities, with little detail on potential problem areas. I believe that all Iowa Regional Workforce Investment Boards should be required to retain independent staff to assist in them in their oversight role.
- 2) The budgetary bottom line for any human service program should be analyzed on the basis of the amount of funding that is provided for services compared to administrative and staff costs. I believe that policies should be established that require the dissemination of that information in local plans and reports that are then provided to State and local oversight entities, and made available to the general public.

- 3) The Workforce Investment Act provides annual allocations of funds to the regional Boards and their designated service delivery agencies which then can be used over a period of two fiscal years. This practice effectively eliminates the pressure to expend all funds within a given fiscal year for fear of losing any excess amount. It also promotes a more flexible budget and expenditure process that is less confined by the calendar. I believe that a similar "carry-over" capacity should be established for the PROMISE JOBS program funding provided by the Department of Human Services. This action would discourage the temptation to conduct end-of-the-year "dollar dumping," and enhance the capacity to provide direct services for welfare recipients.

I want to conclude my remarks by drawing upon my years of experience with the Iowa employment and training system to assure you that the actions of a few individuals are not representative of the dedication and commitment to customer service that is shared by agencies and staff across the State. Iowa Workforce Development understands our mission and the needs of our customers. The laid-off Maytag worker in Newton, the Dubuque welfare mom, the new business in Sioux City, and the fourteen year-old from Creston that just got her first job, may not care about exorbitant salaries in Des Moines. But they do care about the services that IWD and its contractors provide. We intend to be there for them.